

SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
FINANCE DEPARTMENT
PROCEDURE
SIP-5XXX

SUBJECT: SOC 1 Report Review Procedure

REFERENCE: AICPA. *SOC 1 Reports – Reporting on Controls at a Service Organization Relevant to User Entities’ Internal Control Over Financial Reporting (ICFR)*; West Virginia Higher Education Policy Commission. *Finance and Audit Resources*.

ORIGINATION: November 7, 2025

EFFECTIVE: November 19, 2025

REVIEWED:

SECTION 1. PURPOSE

- 1.1 The purpose of this procedure is to establish a standardized process for ensuring Southern West Virginia Community and Technical College’s (the “College”) compliance with Service Organization Control (SOC) 1 reporting requirements. This process includes the coordination, preparation, and submission of accurate and complete documentation that demonstrates the effectiveness of internal controls over financial reporting, particularly those related to outsourced service providers. Adherence to this procedure promotes institutional accountability, facilitates external audits, and ensures compliance with requirements established by state and federal oversight bodies, including the West Virginia Higher Education Policy Commission (WVHEPC).

SECTION 2. SCOPE AND APPLICABILITY

- 2.1 This procedure applies to the Finance Department and the Information Technology Department of the College. It establishes the responsibilities of each department in reviewing, evaluating, and maintaining documentation related to the SOC 1 Report.

SECTION 3. DEFINITIONS

- 3.1 A Service Organizational Control (SOC) 1 Report (the “Report”) is an audit report issued by an independent auditor that evaluates a service organization’s internal controls relevant to financial reporting. The Report focuses on the controls that impact the financial statements of the client organizations that rely on the service provider. These reports are essential for verifying that service organizations maintain adequate controls to ensure the accuracy and integrity of clients’ financial data. Each report typically includes details about the service organization, the reporting period, defined control objectives, and the controls implemented to achieve those objectives.

SECTION 4. PROCEDURE

- 4.1 The Report is received annually by the Finance Department from the West Virginia Higher Education Policy Commission (WVHEPC). Upon receipt, the Chief Finance Officer (CFO) shall review the contents of the Report, accept its terms, and provide formal sign-off. Following the CFO’s review and approval, the Report shall be forwarded to the Chief Information Officer (CIO) for secondary review and signature.

Documentation of both approvals shall be retained in accordance with institutional recordkeeping policies.

- 4.2 After the Report has been reviewed and approved by both the Finance and Information Technology departments, it shall be securely stored in a designated shared TEAMS folder. The Report will be made available to external financial auditors upon request to support audit activities and verification of internal controls.

SECTION 5. BACKGROUND OR EXCLUSIONS

- 5.1 SOC 1 reports are used to evaluate the internal controls of third-party service providers that may impact a college's financial reporting. As many higher education institutions, including Southern West Virginia Community and Technical College, rely on external vendors for critical services, it is essential to obtain and review these reports as part of the institution's annual financial audit and risk management responsibilities.
- 5.2 The U.S. Department of Education and external financial auditors expect colleges to demonstrate oversight of vendors whose services impact institutional data, particularly where those services affect financial statement accuracy, compliance with federal funds (e.g., Title IV), and operational integrity.

SECTION 6. GENERAL PROVISIONS

- 6.1 SOC 1 reports help auditors evaluate whether data processed by vendors is reliable and secure, as part of the institution's annual financial audit.

SECTION 7. RESPONSIBILITIES

- 7.1 The Finance Department is responsible for this procedure and is accountable for following up on any exceptions or findings in the SOC 1 report and ensuring the report is current.

SECTION 8. CANCELLATION

- 8.1 None.

SECTION 9. REVIEW STATEMENT

- 9.1 This procedure shall be reviewed on a regular basis with a time frame for review to be determined by the President or the President's designee. Upon such review, the Cabinet-level Administrator may recommend to the President's Cabinet that the procedure be amended or repealed.

Attachments: None

Distribution: All Southern Employees
Intranet

Revision Notes: November 7, 2025 – Procedure created to establish a standardized process for reviewing and maintaining compliance with Service Organization Control (SOC) 1 reporting requirements.